

11569

RECORDATION NO. Filed 1425

MAR 10 1980 -1 00 PM

INTERSTATE COMMERCE COMMISSION

MAURICE T. MOORE
 WILLIAM B. MARSHALL
 RALPH L. MCAFEE
 ROYALL VICTOR
 HENRY W. DEKOSMIAN
 ALLEN F. MAULSBY
 STEWARD R. BROSS, JR.
 HENRY P. RIORDAN
 JOHN R. HUPPER
 SAMUEL C. BUTLER
 WILLIAM J. SCHRENK, JR.
 BENJAMIN F. CRANE
 FRANCIS F. RANDOLPH, JR.
 JOHN F. HUNT
 GEORGE J. GILLESPIE, III
 RICHARD S. SIMMONS
 WAYNE E. CHAPMAN
 THOMAS D. BARR
 MELVIN L. BEDRICK
 GEORGE T. LOWY
 ROBERT ROSENMAN
 JAMES H. DUFFY
 ALAN J. HRUSKA
 JOHN E. YOUNG

JAMES M. EDWARDS
 DAVID G. ORMSBY
 DAVID L. SCHWARTZ
 RICHARD J. HIEGEL
 FREDERICK A. O. SCHWARZ, JR.
 CHRISTINE BESHAR
 ROBERT S. RIFKIND
 DAVID BOIES
 DAVID O. BROWNWOOD
 PAUL M. DODYK
 RICHARD M. ALLEN
 THOMAS R. BROME
 ROBERT D. JOFFE
 ROBERT F. MULLEN
 ALLEN FINKELSON
 RONALD S. ROLFE
 JOSEPH R. SAUNDERS
 PAUL C. SAUNDERS
 MARTIN L. SENZEL
 DOUGLAS D. BROADWATER
 ALAN C. STEINBOCK
 RICHARD L. HOFFMAN
 JOSEPH A. MULLINS
 MAX R. SHULMAN

CRAVATH, SWAINE & MOORE

ONE CHASE MANHATTAN PLAZA

NEW YORK, N. Y. 10005

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INTERSTATE COMMERCE COMMISSION

Date

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CS Washington, D. C.

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INTERSTATE COMMERCE COMMISSION

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INTERSTATE COMMERCE COMMISSION

ROSELYN L. PATRIC
 L. R. BRESLIN, JR.
 GEORGE B. TURNER
 JOHN H. MORSE
 HAROLD R. MEDINA, JR.
 CHARLES R. LINTON
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 4, PLACE DE LA CONCORDE
 75008 PARIS, FRANCE
 TELEPHONE: 265-81-54
 TELEX: 290530
 33 THROGMORTON STREET
 LONDON, EC2N 2BR, ENGLAND
 TELEPHONE 01-606-1421
 TELEX: 8814901
 CABLE ADDRESSES
 CRAVATH, N. Y.
 CRAVATH, PARIS
 CRAVATH, LONDON E. C. 2

MAR 7 1980

March 7, 1980

Canadian National Railway Company
Lease Financing Dated as of October 1, 1979
9.95% Conditional Sale Indebtedness
Due 2000
 [CS&M Ref. 2043-947]

Dear Madam:

Pursuant to 49 U.S.C. § 11303(a), I enclose here-
 with on behalf of Canadian National Railway Company for fil-
 ing and recordation counterparts of the following documents:

1. (a) Conditional Sale Agreement dated as of Octo-
 ber 1, 1979, among Exchange National Bank of Chicago, as
 Vendee, National Steel Car Corporation, Limited, as
 Builder, and North American Car Corporation, as Vendor;
 and

(b) Agreement and Assignment dated as of October 1,
 1979, among National Steel Car Corporation, Limited, as
 Builder, North American Car Corporation, and La Salle
 National Bank, as Assignee.

2. (a) Lease of Railroad Equipment dated as of
 October 1, 1979, between Canadian National Railway Com-
 pany, as Lessee, and Exchange National Bank of Chicago,
 as Lessor; and

New Member

-A

-B

-C next page C. Dunlop A. H. Harrison

(b) Assignment of Lease and Agreement dated as of October 1, 1979, between Exchange National Bank of Chicago, as Vendee, Lessor, and La Salle National Bank, as Vendor.

The names and addresses of the parties to the aforementioned Agreements are as follows:

(1) Agent-Vendor-Assignee:

La Salle National Bank
135 South La Salle Street
Chicago, Illinois 60690

(2) Trustee-Vendee-Lessor:

Exchange National Bank of Chicago
130 South La Salle Street
Chicago, Illinois 60690

(3) Builder:

National Steel Car Corporation, Limited
P. O. Box 450
Hamilton, Ontario L8N 3J4
CANADA

(4) Vendor:

→ North American Car Corporation
222 South Riverside Plaza
Chicago, Illinois 60606

(5) Lessee:

Canadian National Railway Company
935 LaGauchetiere Street West
Montreal, Quebec H3C 3NA
CANADA

Please file and record the documents referred to in this letter and cross-index them under the names of the Agent-Vendor-Assignee, the Trustee-Vendee-Lessor, the Builder, the Vendor and the Lessee.

The equipment covered by the aforementioned docu-

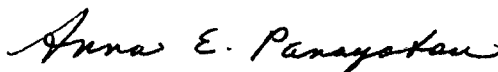
ments consists of:

300 4,550 cu. ft. covered hopper cars bearing identifying numbers CNIS 376000 through CNIS 376299, both inclusive.

There is also enclosed a check for \$100 payable to the Interstate Commerce Commission, representing the fee for recording the Conditional Sale Agreement and related Agreement and Assignment (together constituting one document) and the Lease of Railroad Equipment and related Assignment of Lease and Agreement (together constituting one document).

Please stamp all counterparts of the enclosed documents with your official recording stamp. You will wish to retain one copy of the instruments for your files. It is requested that the remaining counterparts be delivered to the bearer of this letter.

Very truly yours,



Anna E. Panayotou
As Agent for Canadian
National Railway Company

Interstate Commerce Commission,
Washington, D. C. 20423

Attention of Agatha L. Mergenovich,
Secretary.

Encls.

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RECORDATION NO. 11569 - A Filed 1425

MAR 10 1980 - 1 00 PM

INTERSTATE COMMERCE COMMISSION

AGREEMENT AND ASSIGNMENT

Dated as of October 1, 1979

among

NATIONAL STEEL CAR CORPORATION, LIMITED,

NORTH AMERICAN CAR CORPORATION
(Canadian Railcar Division)

and

LA SALLE NATIONAL BANK, as Agent

AGREEMENT AND ASSIGNMENT dated as of October 1, 1979, among NATIONAL STEEL CAR CORPORATION, LIMITED, a Canadian corporation ("Builder"), NORTH AMERICAN CAR CORPORATION (Canadian Railcar Division), a Delaware corporation ("NAC"), and LA SALLE NATIONAL BANK, a national banking association, acting as Agent under a Participation Agreement dated as of the date hereof ("Participation Agreement") (said Agent, as so acting, being hereinafter called "Assignee").

The Builder, NAC and EXCHANGE NATIONAL BANK OF CHICAGO, as Trustee ("Vendee") under a Trust Agreement dated as of the date hereof (the "Trust Agreement") with Security Pacific Leasing Corporation, have entered into a Conditional Sale Agreement dated as of the date hereof (the "CSA") covering the construction, sale and delivery, on the conditions therein set forth, by the Builder and the purchase by NAC, and the sale and delivery, on the conditions therein set forth, by NAC and the purchase by the Vendee of the railroad equipment described in Annex B to the CSA ("Equipment").

The Vendee and CANADIAN NATIONAL RAILWAY COMPANY ("Lessee") have entered into a Lease of Railroad Equipment dated as of the date hereof ("Lease") providing for the lease to the Lessee of the Equipment.

NOW, THEREFORE, THIS AGREEMENT AND ASSIGNMENT ("Assignment") WITNESSETH: that in consideration of the sum of One Dollar (\$1) and other good and valuable consideration paid by the Assignee to the Builder and NAC, the receipt of which is hereby acknowledged, as well as of the mutual covenants herein contained, the parties hereto agree as follows:

SECTION 1. NAC hereby assigns, transfers and sets over unto the Assignee, its successors and assigns:

(a) all the right, title and interest of NAC in and to each unit of the Equipment when and as severally delivered to and accepted by the Vendee, subject to payment by the Assignee to NAC of the amount required to be paid pursuant to Section 4 hereof and of the amounts due to NAC under the CSA;

(b) all the right, title and interest of NAC in and to the CSA (except the right to deliver the Equip-

ment and the right to receive the payments specified in subparagraph (a) of the third paragraph of Article 4 thereof and reimbursement for taxes paid or incurred by NAC), and except as aforesaid in and to any and all amounts which may be or become due or owing to NAC under the CSA on account of the indebtedness in respect of the Vendee Purchase Price (as defined in the CSA) of the Equipment and interest thereon, and in and to any other sums becoming due from the Vendee under the CSA, other than those hereinabove excluded; and

(c) except as limited by subparagraph (b) of this paragraph, all NAC's rights, titles, powers, privileges and remedies under the CSA;

without any recourse hereunder, however, against NAC for or on account of the failure of the Vendee to make any of the payments provided for in, or otherwise to comply with, any of the provisions of the CSA; provided, however, that this Assignment shall not subject the Assignee to, or transfer, or pass, or in any way affect or modify, the obligations of NAC or the Builder to deliver the Equipment in accordance with the CSA or with respect to their respective warranties and agreements referred to in Article 13 of the CSA or relieve the Vendee from its obligations to NAC or the Builder contained in Articles 2, 3, 4, 6 and 13 of the CSA, it being understood and agreed that, notwithstanding this Assignment, or any subsequent assignment pursuant to the provisions of Article 14 of the CSA, all obligations of NAC or the Builder to the Vendee with respect to the Equipment shall be and remain enforceable by the Vendee, its successors and assigns, against and only against NAC and the Builder, as the case may be. In furtherance of the foregoing assignment and transfer, NAC hereby authorizes and empowers the Assignee in the Assignee's own name, or in the name of the Assignee's nominee, or in the name of and as attorney, hereby irrevocably constituted, for NAC, to ask, demand, sue for, collect, receive and enforce any and all sums to which the Assignee is or may become entitled under this Assignment and compliance by the Vendee with the terms and agreements on its part to be performed under the CSA, but at the expense and liability and for the sole benefit of the Assignee.

SECTION 2. The obligation of NAC to deliver the Equipment is subject to the delivery of such Equipment by the Builder to NAC. The Builder agrees that it shall construct the Equipment in full accordance with the CSA. The Builder and NAC severally agree to deliver the Equipment to NAC and the Vendee, as the case may be, in accordance with

the provisions of the CSA; and that, notwithstanding this Assignment, it will perform and fully comply with each of and all the covenants and conditions of the CSA set forth to be performed and complied with by the Builder or NAC, as the case may be. The Builder further agrees that it will warrant to the Assignee, NAC and the Vendee, and NAC further agrees that it will warrant to the Assignee and the Vendee, that at the time of delivery by each such party of each unit of the Equipment under the CSA it had legal title to such unit and good and lawful right to sell such unit and that such unit was free of all claims, liens, security interests and other encumbrances of any nature except only the rights of the Vendee, the Lessee and the Assignee and persons claiming by, through and under them; and NAC and the Builder each further agrees that it will defend the title to such unit against the demands of all persons whomsoever, except the Lessee and the Assignee and persons claiming by, through and under them, based on claims originating prior to the delivery of such unit by such party under the CSA; all subject, however, to the provisions of the CSA and the rights of the Vendee thereunder. The Builder will not deliver any of the Equipment to NAC, and NAC will not deliver any unit of Equipment to the Vendee, under the CSA until the CSA and the Lease have been filed in accordance with 49 U.S.C. § 11303 and deposited in the office of the Registrar General of Canada.

SECTION 3. The Builder and NAC (each such party hereinafter in this Section 3 being called an "Indemnifier") severally agree with the Assignee that in any suit, proceeding or action brought by the Assignee under the CSA for any installment of, or interest on, indebtedness in respect of the Vendee Purchase Price or to enforce any provision of the CSA, the Indemnifier will indemnify, protect and hold harmless the Assignee from and against all expenses, loss or damage suffered by reason of any defense, setoff, counterclaim or recoupment whatsoever claimed by the Vendee or the Lessee arising out of a breach by such Indemnifier of any obligation under the CSA or hereunder with respect to the Equipment or the manufacture, construction, delivery or warranty thereof, or by reason of any defense, setoff, counterclaim or recoupment whatsoever arising by reason of any other indebtedness or liability at any time owing to the Vendee or the Lessee by such Indemnifier (in which latter case such Indemnifier will be subrogated to any claim of the Agent against the Trustee or Lessee, as the case may be, with respect to the matter indemnified against). The Indemnifier's obligation so to indemnify, protect and hold harmless the Assignee is conditional upon (a) the Assignee's timely motion or other

appropriate action, on the basis of Article 14 of the CSA, to strike any defense, setoff, counterclaim or recoupment asserted by the Vendee or the Lessee in any such suit, proceeding or action and (b) if the court or other body having jurisdiction in such suit, proceeding or action denies such motion or other action and accepts such defense, setoff, counterclaim or recoupment as a triable issue in such suit, proceeding or action, the Assignee's prompt notification to such Indemnifier of the asserted defense, setoff, counterclaim or recoupment and the Assignee's giving such Indemnifier the right, at such Indemnifier's expense, to compromise, settle or defend against such defense, setoff, counterclaim or recoupment.

Except in cases of articles or materials specified by the Vendee or the Lessee and not manufactured by the Builder and in cases of designs, systems, processes, formulae or combinations specified by the Lessee and not developed or purported to be developed by the Builder, the Builder agrees, except as otherwise specifically provided in Annex A to the CSA, to indemnify, protect and hold harmless the Assignee from and against any and all liability, claims, costs, charges and expenses, including royalty payments and counsel fees, in any manner imposed upon or accruing against the Assignee or its assigns because of the use in or about the construction or operation of any of the Equipment of any design, system, process, formula, combination, article or material which infringes or is claimed to infringe on any patent or other right. The Assignee will give prompt notice to the Builder of any claim actually known to the Assignee which is based upon any such alleged infringement and will give the Builder the right, at the Builder's expense, to compromise, settle or defend against such claim. The Builder and NAC severally agree that any amounts payable to either of them by the Vendee or the Lessee, or in the case of the Builder, by NAC, with respect to the Equipment, whether pursuant to the CSA or otherwise, not hereby assigned to the Assignee, shall not be secured by any lien, charge or security interest upon the Equipment or any unit thereof.

SECTION 4. The Assignee, on each Closing Date fixed as provided in Article 4 of the CSA with respect to a Group (as defined in said Article 4) of the Equipment, shall pay to NAC an amount equal to the portion of the Vendee Purchase Price thereof which, under the terms of said Article 4, is payable in installments, provided that there shall have been delivered to the Assignee on or prior to such Closing

Date, the following documents [in the case of the bill or bills of sale from NAC to the Vendee, the original shall be delivered to the Vendee with a copy to the Assignee], in form and substance satisfactory to it and to Messrs. Cravath, Swaine & Moore, its special counsel, in such number of counterparts as may be reasonably requested by said special counsel:

(a) a bill or bills of sale from NAC to the Assignee transferring to the Assignee the security interest of NAC in such units and a bill or bills of sale from NAC to the Vendee transferring to the Vendee and its successors and assigns all right, title and interest (other than the security interest assigned to the Assignee) of NAC in such units, warranting to the Assignee and to the Vendee that, at the time of delivery of such units under the CSA, NAC had legal title to such units and good and lawful right to sell such units and such units were free of all claims, liens, security interests and other encumbrances of any nature except only the rights of the Vendee, the Lessee and the Assignee and persons claiming by, through and under them, and covenanting to defend the title to such units against demands of all persons whomsoever, to the extent of such warranty, based on claims originating prior to the delivery of such units by NAC to the Vendee under the CSA;

(b) a bill or bills of sale from the Builder to NAC acknowledging receipt by the Builder of full payment of the purchase price of such units, transferring to NAC and its successors and assigns all right, title and interest of the Builder in such units, warranting to NAC and its successors and assigns, to the Vendee and to the Assignee that, at the time of delivery to NAC of such units under the CSA, the Builder had legal title to such units and good and lawful right to sell such units and such units were free of all claims, liens, security interests and other encumbrances of any nature except only the rights of the Vendee, the Lessee and the Assignee and persons claiming by, through and under them, and covenanting to defend the title to such units against demands of all persons whomsoever based on claims originating prior to the delivery of such units by the Builder to NAC under the CSA;

(c) Certificates of Acceptance on behalf of NAC, the Vendee and the Lessee with respect to the units of the Equipment in such Group as contemplated by Article 3 of the CSA and § 2 of the Lease;

(d) NAC's Invoice (as defined in the CSA) for the units of the Equipment in such Group accompanied by or having endorsed thereon a certification by the Vendee and the Lessee as to their approval thereof;

(e) an opinion of counsel for NAC, dated as of the Delivery Date, addressed to the Assignee and the Vendee, to the effect that the bill or bills of sale described in clause (a) above have been duly authorized, executed and delivered by NAC and are valid and effective to vest in the Assignee the security interest of NAC in the units of the Equipment, free from all claims, liens, security interests and other encumbrances at the time of delivery to the Vendee (other than those created by the CSA and the rights of the Lessee and the Assignee and persons claiming by, through and under them) arising from, through or under NAC; in giving such opinion, such counsel may rely on Builder's warranty of title; and such counsel may qualify its opinion to the effect that as to any matter governed by the law of any jurisdiction other than the United States of America or the State of Illinois or as to any lien arising outside the United States of America imposed as a result of the transaction contemplated by this Assignment counsel expresses no opinion;

(f) an opinion of counsel for the Builder, dated as of such Closing Date, addressed to the Assignee, NAC and the Vendee, to the effect that the bill or bills of sale described in clause (b) above have been duly authorized, executed and delivered by the Builder and are valid and effective to vest in NAC all right, title and interest of the Builder in the units of the Equipment in such Group free from all claims, liens, security interests and other encumbrances (other than those created by the CSA and the rights of the Lessee, the Vendee and the Assignee and persons claiming by, through and under them) arising from, through or under the Builder; and

(g) a receipt from NAC for any payment (other than the payment being made by the Assignee pursuant to the first paragraph of this Section 4) required to be made on such Closing Date to NAC with respect to the Equipment, unless such payment is made by the Assignee with funds furnished to it for that purpose by the Vendee.

The obligation of the Assignee hereunder to make payment for any of the Equipment assigned hereunder is hereby expressly conditioned upon the Assignee having on deposit, pursuant to the terms of the Participation Agreement, sufficient funds available to make such payment and upon payment

by the Vendee of the amount required to be paid by it pursuant to subparagraph (a) of the third paragraph of Article 4 of the CSA. In the event that the Assignee shall not make any such payment, the Assignee shall reassign to NAC, without recourse to the Assignee, all right, title and interest of the Assignee in and to the units of the Equipment with respect to which payment has not been made by the Assignee.

SECTION 5. The Assignee may assign all or any of its rights under the CSA, including the right to receive any payments due or to become due to it from the Vendee thereunder. In the event of any such assignment, any such subsequent or successive assignee or assignees shall, to the extent of such assignment, and upon giving the written notice required in Article 14 of the CSA, enjoy all the rights and privileges and be subject to all the obligations of the Assignee hereunder.

SECTION 6. The Builder hereby represents and warrants to NAC, the Assignee, the Vendee and their respective successors and assigns, that the CSA and this Assignment were duly authorized by it and lawfully executed and delivered by it for a valid consideration, and that, assuming due authorization, execution and delivery by NAC and the Vendee, the CSA and this Assignment are, insofar as the Builder is concerned, legal, valid and binding agreements upon the Builder and, in the case of the CSA, enforceable in accordance with its terms and that it is now in force without amendment thereto.

The Builder and NAC severally agree that:

(a) each will from time to time, at the request of the Assignee or its successors or assigns, make, execute and deliver all such further instruments of assignment, transfer and assurance and do all such further acts and things as may be necessary and appropriate in the premises to give effect to the provisions hereinabove set forth and more perfectly to confirm the rights, titles and interests hereby assigned and transferred to the Assignee or intended so to be; and

(b) subsequent to the payment in full of the Vendee Purchase Price, upon request of the Assignee, its successors and assigns, each will execute any and all instruments which may be necessary or proper in order to discharge of record the CSA or any other instrument evidencing any interest of the Builder or NAC, respectively, therein or in the Equipment.


SECTION 7. The terms of this Assignment and all rights and obligations hereunder shall be governed by the laws of the State of Illinois; provided, however, that the parties shall be entitled to all the rights conferred by 49 U.S.C. § 11303, such additional rights arising out of the filing, recording or depositing of the CSA and this Assignment as shall be conferred by the laws of the several jurisdictions in which the CSA or this Assignment shall be filed, recorded or deposited, or in which any unit of the Equipment shall be located, and any rights arising out of the marking on the units of Equipment.

SECTION 8. This Assignment may be executed in any number of counterparts, but the counterpart delivered to the Assignee shall be deemed to be the original counterpart. Although for convenience this Assignment is dated as of the date first above written, the actual date or dates of execution hereof by the parties hereto is or are, respectively, the date or dates stated in the acknowledgments hereto annexed.

IN WITNESS WHEREOF, the parties hereto, each pursuant to due corporate authority, have caused this instrument to be executed in their respective corporate names by duly authorized officials, and their respective corporate seals to be hereunto affixed and duly attested, all as of the date first above written.

NATIONAL STEEL CAR CORPORATION,
LIMITED,

by


VICE - PRESIDENT - FINANCE

[Corporate Seal]

Attest:



LA SALLE NATIONAL BANK, as Agent,

by

[Corporate Seal]

Attest:

NORTH AMERICAN CAR CORPORATION
(Canadian Railcar Division),

by _____

[Corporate Seal]

Attest:

PROVINCE OF ONTARIO,)
) ss.:
JUDICIAL DISTRICT OF)
HAMILTON-WENTWORTH.)

On this ^{March} 7th day of ~~February~~ 1980, before me personally appeared R. W. Coache, to me personally known, who, being by me duly sworn, says that he is a U. P. of NATIONAL STEEL CAR CORPORATION, LIMITED, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Commissioner for Oaths

My Commission expires

ALLAN GEORGE BEACH, a Commissioner,
etc., in and for the Province of Ontario, for
Campbell, Godfrey & Lewtas, Barristers,
Student-At-Law.
Expires July 19th, 1982.

STATE OF ILLINOIS,)
) ss.:
COUNTY OF COOK,)

On this day of February 1980, before me personally appeared , to me personally known, who, being by me duly sworn, says that he is of NORTH AMERICAN CAR CORPORATION (Canadian Railcar Division), that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Notary Public

[Notarial Seal]

My Commission expires

STATE OF ILLINOIS,)
) ss.:
COUNTY OF COOK,)

On this day of February 1980, before me personally appeared , to me personally known, who, being by me duly sworn, says that he is of LA SALLE NATIONAL BANK, that one of the seals affixed to the foregoing instrument is the corporate seal of said national association, that said instrument was signed and sealed on behalf of said national association by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said national association.

Notary Public

[Notarial Seal]

My Commission expires

ACKNOWLEDGMENT OF NOTICE OF ASSIGNMENT

Receipt of a copy of, and due notice of the assignment made by, the foregoing Agreement and Assignment is hereby acknowledged as of October 1, 1979.

EXCHANGE NATIONAL BANK OF CHICAGO,
not in its individual capacity,
but solely as Trustee,

by

AGREEMENT AND ASSIGNMENT

Dated as of October 1, 1979

among

NATIONAL STEEL CAR CORPORATION, LIMITED,

NORTH AMERICAN CAR CORPORATION
(Canadian Railcar Division)

and

LA SALLE NATIONAL BANK, as Agent

AGREEMENT AND ASSIGNMENT dated as of October 1, 1979, among NATIONAL STEEL CAR CORPORATION, LIMITED, a Canadian corporation ("Builder"), NORTH AMERICAN CAR CORPORATION (Canadian Railcar Division), a Delaware corporation ("NAC"), and LA SALLE NATIONAL BANK, a national banking association, acting as Agent under a Participation Agreement dated as of the date hereof ("Participation Agreement") (said Agent, as so acting, being hereinafter called "Assignee").

The Builder, NAC and EXCHANGE NATIONAL BANK OF CHICAGO, as Trustee ("Vendee") under a Trust Agreement dated as of the date hereof (the "Trust Agreement") with Security Pacific Leasing Corporation, have entered into a Conditional Sale Agreement dated as of the date hereof (the "CSA") covering the construction, sale and delivery, on the conditions therein set forth, by the Builder and the purchase by NAC, and the sale and delivery, on the conditions therein set forth, by NAC and the purchase by the Vendee of the railroad equipment described in Annex B to the CSA ("Equipment").

The Vendee and CANADIAN NATIONAL RAILWAY COMPANY ("Lessee") have entered into a Lease of Railroad Equipment dated as of the date hereof ("Lease") providing for the lease to the Lessee of the Equipment.

NOW, THEREFORE, THIS AGREEMENT AND ASSIGNMENT ("Assignment") WITNESSETH: that in consideration of the sum of One Dollar (\$1) and other good and valuable consideration paid by the Assignee to the Builder and NAC, the receipt of which is hereby acknowledged, as well as of the mutual covenants herein contained, the parties hereto agree as follows:

SECTION 1. NAC hereby assigns, transfers and sets over unto the Assignee, its successors and assigns:

(a) all the right, title and interest of NAC in and to each unit of the Equipment when and as severally delivered to and accepted by the Vendee, subject to payment by the Assignee to NAC of the amount required to be paid pursuant to Section 4 hereof and of the amounts due to NAC under the CSA;

(b) all the right, title and interest of NAC in and to the CSA (except the right to deliver the Equip-

ment and the right to receive the payments specified in subparagraph (a) of the third paragraph of Article 4 thereof and reimbursement for taxes paid or incurred by NAC), and except as aforesaid in and to any and all amounts which may be or become due or owing to NAC under the CSA on account of the indebtedness in respect of the Vendee Purchase Price (as defined in the CSA) of the Equipment and interest thereon, and in and to any other sums becoming due from the Vendee under the CSA, other than those hereinabove excluded; and

(c) except as limited by subparagraph (b) of this paragraph, all NAC's rights, titles, powers, privileges and remedies under the CSA;

without any recourse hereunder, however, against NAC for or on account of the failure of the Vendee to make any of the payments provided for in, or otherwise to comply with, any of the provisions of the CSA; provided, however, that this Assignment shall not subject the Assignee to, or transfer, or pass, or in any way affect or modify, the obligations of NAC or the Builder to deliver the Equipment in accordance with the CSA or with respect to their respective warranties and agreements referred to in Article 13 of the CSA or relieve the Vendee from its obligations to NAC or the Builder contained in Articles 2, 3, 4, 6 and 13 of the CSA, it being understood and agreed that, notwithstanding this Assignment, or any subsequent assignment pursuant to the provisions of Article 14 of the CSA, all obligations of NAC or the Builder to the Vendee with respect to the Equipment shall be and remain enforceable by the Vendee, its successors and assigns, against and only against NAC and the Builder, as the case may be. In furtherance of the foregoing assignment and transfer, NAC hereby authorizes and empowers the Assignee in the Assignee's own name, or in the name of the Assignee's nominee, or in the name of and as attorney, hereby irrevocably constituted, for NAC, to ask, demand, sue for, collect, receive and enforce any and all sums to which the Assignee is or may become entitled under this Assignment and compliance by the Vendee with the terms and agreements on its part to be performed under the CSA, but at the expense and liability and for the sole benefit of the Assignee.

SECTION 2. The obligation of NAC to deliver the Equipment is subject to the delivery of such Equipment by the Builder to NAC. The Builder agrees that it shall construct the Equipment in full accordance with the CSA. The Builder and NAC severally agree to deliver the Equipment to NAC and the Vendee, as the case may be, in accordance with

the provisions of the CSA; and that, notwithstanding this Assignment, it will perform and fully comply with each of and all the covenants and conditions of the CSA set forth to be performed and complied with by the Builder or NAC, as the case may be. The Builder further agrees that it will warrant to the Assignee, NAC and the Vendee, and NAC further agrees that it will warrant to the Assignee and the Vendee, that at the time of delivery by each such party of each unit of the Equipment under the CSA it had legal title to such unit and good and lawful right to sell such unit and that such unit was free of all claims, liens, security interests and other encumbrances of any nature except only the rights of the Vendee, the Lessee and the Assignee and persons claiming by, through and under them; and NAC and the Builder each further agrees that it will defend the title to such unit against the demands of all persons whomsoever, except the Lessee and the Assignee and persons claiming by, through and under them, based on claims originating prior to the delivery of such unit by such party under the CSA; all subject, however, to the provisions of the CSA and the rights of the Vendee thereunder. The Builder will not deliver any of the Equipment to NAC, and NAC will not deliver any unit of Equipment to the Vendee, under the CSA until the CSA and the Lease have been filed in accordance with 49 U.S.C. § 11303 and deposited in the office of the Registrar General of Canada.

SECTION 3. The Builder and NAC (each such party hereinafter in this Section 3 being called an "Indemnifier") severally agree with the Assignee that in any suit, proceeding or action brought by the Assignee under the CSA for any installment of, or interest on, indebtedness in respect of the Vendee Purchase Price or to enforce any provision of the CSA, the Indemnifier will indemnify, protect and hold harmless the Assignee from and against all expenses, loss or damage suffered by reason of any defense, setoff, counterclaim or recoupment whatsoever claimed by the Vendee or the Lessee arising out of a breach by such Indemnifier of any obligation under the CSA or hereunder with respect to the Equipment or the manufacture, construction, delivery or warranty thereof, or by reason of any defense, setoff, counterclaim or recoupment whatsoever arising by reason of any other indebtedness or liability at any time owing to the Vendee or the Lessee by such Indemnifier (in which latter case such Indemnifier will be subrogated to any claim of the Agent against the Trustee or Lessee, as the case may be, with respect to the matter indemnified against). The Indemnifier's obligation so to indemnify, protect and hold harmless the Assignee is conditional upon (a) the Assignee's timely motion or other

appropriate action, on the basis of Article 14 of the CSA, to strike any defense, setoff, counterclaim or recoupment asserted by the Vendee or the Lessee in any such suit, proceeding or action and (b) if the court or other body having jurisdiction in such suit, proceeding or action denies such motion or other action and accepts such defense, setoff, counterclaim or recoupment as a triable issue in such suit, proceeding or action, the Assignee's prompt notification to such Indemnifier of the asserted defense, setoff, counterclaim or recoupment and the Assignee's giving such Indemnifier the right, at such Indemnifier's expense, to compromise, settle or defend against such defense, setoff, counterclaim or recoupment.

Except in cases of articles or materials specified by the Vendee or the Lessee and not manufactured by the Builder and in cases of designs, systems, processes, formulae or combinations specified by the Lessee and not developed or purported to be developed by the Builder, the Builder agrees, except as otherwise specifically provided in Annex A to the CSA, to indemnify, protect and hold harmless the Assignee from and against any and all liability, claims, costs, charges and expenses, including royalty payments and counsel fees, in any manner imposed upon or accruing against the Assignee or its assigns because of the use in or about the construction or operation of any of the Equipment of any design, system, process, formula, combination, article or material which infringes or is claimed to infringe on any patent or other right. The Assignee will give prompt notice to the Builder of any claim actually known to the Assignee which is based upon any such alleged infringement and will give the Builder the right, at the Builder's expense, to compromise, settle or defend against such claim. The Builder and NAC severally agree that any amounts payable to either of them by the Vendee or the Lessee, or in the case of the Builder, by NAC, with respect to the Equipment, whether pursuant to the CSA or otherwise, not hereby assigned to the Assignee, shall not be secured by any lien, charge or security interest upon the Equipment or any unit thereof.

SECTION 4. The Assignee, on each Closing Date fixed as provided in Article 4 of the CSA with respect to a Group (as defined in said Article 4) of the Equipment, shall pay to NAC an amount equal to the portion of the Vendee Purchase Price thereof which, under the terms of said Article 4, is payable in installments, provided that there shall have been delivered to the Assignee on or prior to such Closing

Date, the following documents [in the case of the bill or bills of sale from NAC to the Vendee, the original shall be delivered to the Vendee with a copy to the Assignee], in form and substance satisfactory to it and to Messrs. Cravath, Swaine & Moore, its special counsel, in such number of counterparts as may be reasonably requested by said special counsel:

(a) a bill or bills of sale from NAC to the Assignee transferring to the Assignee the security interest of NAC in such units and a bill or bills of sale from NAC to the Vendee transferring to the Vendee and its successors and assigns all right, title and interest (other than the security interest assigned to the Assignee) of NAC in such units, warranting to the Assignee and to the Vendee that, at the time of delivery of such units under the CSA, NAC had legal title to such units and good and lawful right to sell such units and such units were free of all claims, liens, security interests and other encumbrances of any nature except only the rights of the Vendee, the Lessee and the Assignee and persons claiming by, through and under them, and covenanting to defend the title to such units against demands of all persons whomsoever, to the extent of such warranty, based on claims originating prior to the delivery of such units by NAC to the Vendee under the CSA;

(b) a bill or bills of sale from the Builder to NAC acknowledging receipt by the Builder of full payment of the purchase price of such units, transferring to NAC and its successors and assigns all right, title and interest of the Builder in such units, warranting to NAC and its successors and assigns, to the Vendee and to the Assignee that, at the time of delivery to NAC of such units under the CSA, the Builder had legal title to such units and good and lawful right to sell such units and such units were free of all claims, liens, security interests and other encumbrances of any nature except only the rights of the Vendee, the Lessee and the Assignee and persons claiming by, through and under them, and covenanting to defend the title to such units against demands of all persons whomsoever based on claims originating prior to the delivery of such units by the Builder to NAC under the CSA;

(c) Certificates of Acceptance on behalf of NAC, the Vendee and the Lessee with respect to the units of the Equipment in such Group as contemplated by Article 3 of the CSA and § 2 of the Lease;

(d) NAC's Invoice (as defined in the CSA) for the units of the Equipment in such Group accompanied by or having endorsed thereon a certification by the Vendee and the Lessee as to their approval thereof;

(e) an opinion of counsel for NAC, dated as of the Delivery Date, addressed to the Assignee and the Vendee, to the effect that the bill or bills of sale described in clause (a) above have been duly authorized, executed and delivered by NAC and are valid and effective to vest in the Assignee the security interest of NAC in the units of the Equipment, free from all claims, liens, security interests and other encumbrances at the time of delivery to the Vendee (other than those created by the CSA and the rights of the Lessee and the Assignee and persons claiming by, through and under them) arising from, through or under NAC; in giving such opinion, such counsel may rely on Builder's warranty of title; and such counsel may qualify its opinion to the effect that as to any matter governed by the law of any jurisdiction other than the United States of America or the State of Illinois or as to any lien arising outside the United States of America imposed as a result of the transaction contemplated by this Assignment counsel expresses no opinion;

(f) an opinion of counsel for the Builder, dated as of such Closing Date, addressed to the Assignee, NAC and the Vendee, to the effect that the bill or bills of sale described in clause (b) above have been duly authorized, executed and delivered by the Builder and are valid and effective to vest in NAC all right, title and interest of the Builder in the units of the Equipment in such Group free from all claims, liens, security interests and other encumbrances (other than those created by the CSA and the rights of the Lessee, the Vendee and the Assignee and persons claiming by, through and under them) arising from, through or under the Builder; and

(g) a receipt from NAC for any payment (other than the payment being made by the Assignee pursuant to the first paragraph of this Section 4) required to be made on such Closing Date to NAC with respect to the Equipment, unless such payment is made by the Assignee with funds furnished to it for that purpose by the Vendee.

The obligation of the Assignee hereunder to make payment for any of the Equipment assigned hereunder is hereby expressly conditioned upon the Assignee having on deposit, pursuant to the terms of the Participation Agreement, sufficient funds available to make such payment and upon payment

by the Vendee of the amount required to be paid by it pursuant to subparagraph (a) of the third paragraph of Article 4 of the CSA. In the event that the Assignee shall not make any such payment, the Assignee shall reassign to NAC, without recourse to the Assignee, all right, title and interest of the Assignee in and to the units of the Equipment with respect to which payment has not been made by the Assignee.

SECTION 5. The Assignee may assign all or any of its rights under the CSA, including the right to receive any payments due or to become due to it from the Vendee thereunder. In the event of any such assignment, any such subsequent or successive assignee or assignees shall, to the extent of such assignment, and upon giving the written notice required in Article 14 of the CSA, enjoy all the rights and privileges and be subject to all the obligations of the Assignee hereunder.

SECTION 6. The Builder hereby represents and warrants to NAC, the Assignee, the Vendee and their respective successors and assigns, that the CSA and this Assignment were duly authorized by it and lawfully executed and delivered by it for a valid consideration, and that, assuming due authorization, execution and delivery by NAC and the Vendee, the CSA and this Assignment are, insofar as the Builder is concerned, legal, valid and binding agreements upon the Builder and, in the case of the CSA, enforceable in accordance with its terms and that it is now in force without amendment thereto.

The Builder and NAC severally agree that:

(a) each will from time to time, at the request of the Assignee or its successors or assigns, make, execute and deliver all such further instruments of assignment, transfer and assurance and do all such further acts and things as may be necessary and appropriate in the premises to give effect to the provisions hereinabove set forth and more perfectly to confirm the rights, titles and interests hereby assigned and transferred to the Assignee or intended so to be; and

(b) subsequent to the payment in full of the Vendee Purchase Price, upon request of the Assignee, its successors and assigns, each will execute any and all instruments which may be necessary or proper in order to discharge of record the CSA or any other instrument evidencing any interest of the Builder or NAC, respectively, therein or in the Equipment.

SECTION 7. The terms of this Assignment and all rights and obligations hereunder shall be governed by the laws of the State of Illinois; provided, however, that the parties shall be entitled to all the rights conferred by 49 U.S.C. § 11303, such additional rights arising out of the filing, recording or depositing of the CSA and this Assignment as shall be conferred by the laws of the several jurisdictions in which the CSA or this Assignment shall be filed, recorded or deposited, or in which any unit of the Equipment shall be located, and any rights arising out of the marking on the units of Equipment.

SECTION 8. This Assignment may be executed in any number of counterparts, but the counterpart delivered to the Assignee shall be deemed to be the original counterpart. Although for convenience this Assignment is dated as of the date first above written, the actual date or dates of execution hereof by the parties hereto is or are, respectively, the date or dates stated in the acknowledgments hereto annexed.

IN WITNESS WHEREOF, the parties hereto, each pursuant to due corporate authority, have caused this instrument to be executed in their respective corporate names by duly authorized officials, and their respective corporate seals to be hereunto affixed and duly attested, all as of the date first above written.

NATIONAL STEEL CAR CORPORATION,
LIMITED,

by _____

[Corporate Seal]

Attest:

LA SALLE NATIONAL BANK, as Agent,

by  _____

[Corporate Seal]

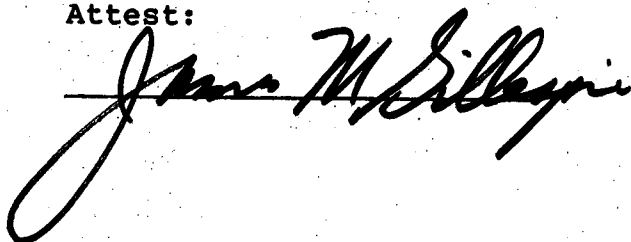
Attest:
 _____

NORTH AMERICAN CAR CORPORATION
(Canadian Railcar Division),

by 

[Corporate Seal]

Attest:



PROVINCE OF ONTARIO,)
) ss.:
JUDICIAL DISTRICT OF)
HAMILTON-WENTWORTH,)

On this
sonally appeared

day of February 1980, before me per-
to re

STATE OF ILLINOIS,)
) ss.:
COUNTY OF COOK,)

On this ^{March} 4th day of ~~February~~ 1980, before me personally appeared ^{R. K. WEBER}, to me personally known, who, being by me duly sworn, says that he is VICE PRESIDENT of LA SALLE NATIONAL BANK, that one of the seals affixed to the foregoing instrument is the corporate seal of said national association, that said instrument was signed and sealed on behalf of said national association by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said national association.

Patricia M. Kennedy
Notary Public

[Notarial Seal]

My Commission expires

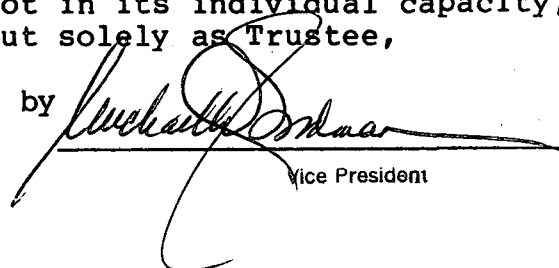
My Commission Expires August 24, 1982

ACKNOWLEDGMENT OF NOTICE OF ASSIGNMENT

Receipt of a copy of, and due notice of the assignment made by, the foregoing Agreement and Assignment is hereby acknowledged as of October 1, 1979.

EXCHANGE NATIONAL BANK OF CHICAGO,
not in its individual capacity,
but solely as Trustee,

by

A handwritten signature in dark ink, appearing to read "Richard D. Duma", is written over a horizontal line. The signature is fluid and cursive.

Vice President